

QUALIFIED DOMESTIC RELATIONS ORDERS FOR ATRS MEMBERS

A.C.A. §§ 9-18-101--103

DEFINITIONS

1. **QDRO** means a court order that meets the definition of a “Qualified Domestic Relations Order” under A.C.A. § 9-18-101.
2. **Alternate payee** means a spouse, former spouse, child, or other dependent of a member under Arkansas law.
3. **System** means the Arkansas Teacher Retirement System.

RULES

1. A QDRO entered by a circuit court or other court of competent jurisdiction assigns a designated percentage of or other interest of a retirement benefit that may be paid to an alternate payee from the System.
2. Pursuant to A.C.A. § 9-18-103(b), the System shall adopt a model QDRO to be utilized by its members. The model order shall be a uniform form and shall be filed for approval by the Legislative Council. All QDROs issued by a court assigning retirement benefits from the System must comply with the content of and substantially follow the form set out in the model order. (Act 1143 of 1993)
3. A QDRO issued by a circuit court of the State of Arkansas or other court of competent jurisdiction for a member of the System shall be accepted, subject to the following:
 - A. Benefits to the alternate payee shall begin when the member retires or ceases employment with a covered employer and receives a refund of contributions.
 - B. When a QDRO is received by the System, the plan administrator shall:
 - i. Promptly notify the member and the alternate payee of the receipt of such order, and
 - ii. Within a reasonable time after receipt of the order, determine whether the order is a QDRO that complies with the System’s model order and otherwise complies with System plan statutes and regulations.

- D. QDROs received prior to a member's retirement or termination of covered employment will be handled as set out in No. 3B above, but any amounts payable to the alternate payee will be held in the member's account until due to be paid.
- E. Nothing contained in a QDRO shall require any of the following:
- i. The System to provide an alternate payee any type or form of benefit or option not otherwise available to the member;
 - ii. The System to provide the alternate payee actuarial benefits not available to the member; or
 - iii. The System to pay any benefits to an alternate payee that are required to be paid to another alternate payee under an existing QDRO.
- F. Should the alternate payee die prior to the receipt of benefits under the qualified domestic relations order, the entire amount due the alternate payee shall revert to the member.
- G. Should the member die prior to retirement, the alternate payee shall receive the same portion of the member's contributions, if any, as was assigned by the QDRO. In no case shall the alternate payee receive monthly annuity benefits from the System if the member has not received his/her retirement annuity at the time of his/her death.
- H. If the QDRO specifies a marital portion of monthly annuity benefits, the portion shall be assigned to the alternate payee, shall be computed on the benefit formula in effect at the time of the member's retirement, but shall include only service credit earned by the member during the marital relationship.
- I. If the QDRO assigns a marital portion or other part of a member's interest in his/her T-DROP plan deposits and interest, the benefits in the T-DROP account shall be computed as a separate calculation under the provisions in the model order.
- J. The System shall have the right to make any necessary correction to the monthly benefit amount paid under a QDRO and to recover from either the member or the alternate payee any overpayments made if funds are overpaid and due and owing to the System.
- K. If the alternate payee fails at any time to notify the System of a change of mailing address, the System shall not be required to make restitution for payments not made prior to receipt of a change of address.

- L. Any benefit enhancements enacted by the Legislature or the Board of Trustees after entry of a QDRO shall not be assigned to the alternate payee but shall inure to the sole benefit of the member.
- M. If the member does not have five (5) years actual service with the System at the time the QDRO is entered by a court, the System shall not accept the QDRO or be responsible for payment thereunder.
- N. Should the System determine that the alternate payee's monthly benefits are less than \$20.00, the member shall be paid the total benefit due and shall be responsible for paying the alternate payee the amount due.
- O. No provision in a QDRO shall require the System to provide any benefit that is an actuarial cost to the System and is not otherwise contemplated in the System's benefit statutes.
- P. No provision in this regulation or in a QDRO accepted by the System shall require the System to violate any plan qualification requirement in IRS Code § 401(a) or otherwise affect the System's requirement to operate as a governmental plan under IRS Code § 414(d).

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